



Statement in support of Raised Bill 480 --

An Act Concerning Cooperative Health Care Arrangements

Judiciary Committee

March 24, 2010

We would like to take this opportunity to commend this Committee for the steps that it has taken this year and in past years, in helping physicians level the playing field with managed care companies. We hope that you will continue to help us put a level of fairness in contracting with health insurers by passing Raised Bill 480.

As you are well aware, the past decade has brought numerous changes to the health care industry. More and more patients are covered by a managed care plan. In order to treat these patients, physicians must sign contracts with managed care companies. However, these contracts often contain provisions that are incredibly unfair to patients and physicians. We have heard the argument that physicians have a choice whether to sign these contracts or not, but we really have no choice. Because of the MCOs strong market power, they have been able to virtually dictate the terms and conditions they offer physicians. In addition, because of federal anti-trust laws, physicians are unable to collectively negotiate the terms and conditions of these contracts.

We are currently asked to sign risk-sharing agreements without the financial information necessary to make an educated decision about how much risk we are assuming. This, combined with the MCO's ability to make unilateral changes in the terms and conditions of a contract without the physician's consent and the selling of one network to another without the physician's knowledge or consent, amount to an incredible unfairness in contracting. In addition to problems before entering into a contract for service, physicians then experience further problems with payment when claims are downcoded or bundled. Physicians will often bill for one type of service and that service will be downcoded to another lesser service. Further, when a physician provides two separate and distinct services, these are often bundled together and billed under one code, thus under-paying the physician for service.

Presently, physicians have no choice but to sign all or nothing agreements and have no power to remedy payment problems. We hope that this Committee will recognize the unfairness that currently exists and amend and pass this bill to afford protection from these practices.

For more information, please call:

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